



purposes approved by the United Nations, including food and medicine for the Iraqi people and reparations to the victims of the Hussein regime's 1990 invasion of Kuwait. Iraq was permitted to determine which purchasers could obtain allocations of oil under the Program.

In 2000, the Hussein regime found a way to get money free of United Nations supervision: Iraq began conditioning the right to purchase its oil under the Oil-for-Food Program on the purchasers' willingness to make secret payments directly to the Hussein regime. CHALMERS, working with and through the BAYOIL COMPANIES, elected to pay these illegal kickbacks. By participating in this scheme, CHALMERS and others diverted millions of dollars that otherwise would have been available for humanitarian purchases for the Iraqi people under the Oil-for-Food Program.

CHALMERS and the BAYOIL COMPANIES each pleaded guilty before Judge CHIN on August 17, 2007 to one count of conspiracy to commit wire fraud related to the payment of secret illegal surcharge payments to the former Government of Iraq.

On August 17, 2007, LUDMIL DIONISSIEV, an associate of CHALMERS, pleaded guilty to facilitating the transportation and sale of Iraqi oil in January 2001, despite knowing that a BAYOIL COMPANIES representative had promised to pay a secret surcharge to the Government of Iraq in connection with an oil allocation to a Russian legislator. On December 13, 2007, DIONISSIEV was sentenced by Judge CHIN principally to a fine of \$5000 and a two-year term of probation.

In addition to guilty pleas from CHALMERS, the BAYOIL COMPANIES, and DIONISSIEV, this Office's Oil-for-Food investigation has led to the following convictions:

- on October 1, 2007, OSCAR S. WYATT, JR., the founder of the COASTAL CORPORATION, pleaded guilty, four weeks into his trial before Judge CHIN, to conspiring to make illegal kickback payments to the SADDAM HUSSEIN regime;
- on July 13, 2006, TONGSUN PARK, a South Korean national, was found guilty, following a three-week jury trial before Judge CHIN, of conspiring to, among other things, serve as an unregistered agent of the SADDAM HUSSEIN regime in the United States;
- on January 18, 2005, SAMIR A. VINCENT, an Iraqi-American businessman, pleaded guilty before Judge

CHIN to, among other things, conspiring to serve in the United States as an unregistered agent of the Hussein regime.

During the trials of WYATT and PARK, VINCENT testified for the Government as a cooperating witness. WYATT and PARK are incarcerated, having been sentenced by Judge CHIN to terms of imprisonment of one and five years, respectively; VINCENT has not yet been sentenced.

Federal charges related to the Oil-for-Food Program have also been returned against JOHN IRVING, a United Kingdom-based associate of CHALMERS; CATALINA del SOCORRO MIGUEL FUENTES, a/k/a "Cathy Miguel," and MOHAMMED SAIDJI, a Switzerland-based associates of WYATT; NAFTA PETROLEUM COMPANY LIMITED and MEDNAFTA TRADING COMPANY LIMITED, Cyprus-based companies associated with WYATT; and SARENCO, S.A., a Swiss-based company associated with WYATT. Charges have also been filed against EPHRAIM NADLER and BENON V. SEVAN. SEVAN, who at the time was the Executive Director of the United Nations office that operated the Oil-for-Food Program, allegedly received more than \$150,000 from NADLER on behalf of the Government of Iraq, as a result of an oil transaction during the Oil-for-Food Program. None of these people or entities have yet appeared in the United States.

Large sums of money have been remitted to the Government in connection with its investigation of abuses of the Oil-for-Food Program – including over \$11 million from WYATT, \$20 million from the CHEVRON CORPORATION, and over \$5 million from the EL PASO CORPORATION. CHEVRON and EL PASO are two publicly-traded companies that obtained Iraqi oil under the Oil-for-Food Program from third parties that paid secret, illegal surcharges to the former Government of Iraq. Money remitted to the Government from WYATT, CHEVRON, and EL PASO CORPORATION has been transferred by the Government to the Development Fund of Iraq (established on May 21, 2003, by United Nations Security Council Resolution 1483) – as restitution for the benefit of the people of Iraq, who were among the victims of the Hussein regime's solicitation of illegal kickback payments on Iraqi oil.

The Government will also seek to transfer to the Development Fund of Iraq the restitution that Judge CHIN ordered CHALMERS and the BAYOIL COMPANIES to pay.

Mr. GARCIA praised the Federal Bureau of Investigation, Criminal and Counterintelligence Divisions. He also expressed

appreciation to the United States Treasury Department, Office of Foreign Assets Control; the United States Department of State; the Securities and Exchange Commission; the United Nations Office of Legal Affairs; the former Independent Inquiry Committee into the United Nations Oil-for-Food Program; and the New York County District Attorney's Office.

Assistant United States Attorneys EDWARD C. O'CALLAGHAN, STEPHEN A. MILLER, MICHAEL FARBIARZ, and SHARON LEVIN are in charge of the prosecutions.

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